

Exhibit 6

BEFORE THE STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL

In the Matter of Application No. 99-1:

SUMAS ENERGY 2 GENERATION
FACILITY

SETTLEMENT AGREEMENT BETWEEN
WASHINGTON DEPARTMENT OF
ECOLOGY AND SUMAS ENERGY 2

I. Introduction

A. Parties

Sumas Energy 2, Inc. (SE2) is seeking a Site Certification Agreement (SCA) from the Energy Facility Site Evaluation Council (EFSEC) to construct and operate the proposed Sumas 2 Generation Facility (S2GF or Project).

Washington Department of Ecology (Ecology) was created to administer the state of Washington's water management program, including its comprehensive water quality and water resource allocation programs. Ecology also has statutory responsibilities in the matters of flood control, shoreline and coastal zone management, air quality, and environmental review and coordination, pursuant to the State's environmental policy statute. Ecology is a party to the site certification adjudication before EFSEC.

B. Purpose and Intent

SE2 and Ecology (collectively "the Parties") have been involved in discussions and negotiations related to the Project's potential effect upon water quality and wetlands. The Project consists of a 660 MW combined-cycle combustion turbine generation facility and

associated facilities, including a 4.25 mile natural gas pipeline, and a 5.9 mile, 230 kV transmission line connection facility. Through this Agreement, Ecology and SE2 set forth the obligations and restrictions that the Parties intend to have incorporated into the SCA as conditions for the Project should EFSEC recommend that the Project be certified. The obligations and restrictions set forth in the Agreement relate to resources that will be affected by construction and operation of the Project facilities at the Project site, and the construction and operation of the approximate 4.25 natural gas pipeline from the border crossing east of Sumas, Washington to the Project site, the construction and operation of the approximate 0.5 mile electrical transmission line from the Project site to the U.S.-Canadian border as these components are proposed at the time of entry of this Agreement. The Agreement does not address issues that may be raised at EFSEC or non-EFSEC proceedings outside the adjudicative hearing or other Project impacts, if any.

C. Resolution of Issues

SE2 has undertaken preliminary site impact assessments to identify the major significant water quality and wetland impacts expected from construction and operation of the Project facility, natural gas pipeline, and electrical transmission line. The Parties agree that not all impacts may be known and therefore, the Agreement contains commitments to address currently expected specific impacts and a commitment to principles of impact assessment and mitigation for potential future unknown impacts.

The Parties further agree that SE2 will comply with any conditions in any settlement agreement with any other Party to the EFSEC proceeding that set stricter standards regarding wetlands, and water quality. Finally, while Ecology has consented to entering into this Agreement as providing the minimum acceptable mitigation for the Project's impacts to wetlands for the purpose of settlement, its participation in this Agreement should not be

interpreted as representing Ecology's position in any proceeding other than the EFSEC adjudicative hearing (e.g. EFSEC's Clean Water Act Section 401 Certification).

In addition, Ecology initially raised issues with respect to air emissions and water resources. These issues have been resolved to Ecology's satisfaction and, therefore, no testimony was submitted for the adjudicative hearing.

II. SE2 Commitments

A. Water Quality

1. Wastewater Treatment

There is an existing contract between Sumas Cogeneration Company, L.P. ("SCCLP") and the City of Sumas ("City") for wastewater treatment and discharge. The City has discontinued operation of its wastewater treatment plant and, by contract, now sends its wastewater stream to the City of Abbotsford, British Columbia, Canada for processing at the Joint Abbotsford Mission Environmental System (JAMES) treatment plant (collectively, "Abbotsford"). Under the contract, Abbotsford has committed to accepting a maximum flow from the City which increases each year up to a limit of 400,000 gallons per day. Through an agreement with the City, SCCLP is permitted to discharge up to 80,000 gallons per day to the City's system. SE2 will generate a maximum of 39,000 gallons per day of wastewater. The City has consented to the transfer of all or any portion of the 80,000 gallons per day to SE2. The combined discharge from SCCLP and SE2 will not exceed the quantity of water set forth in SCCLP's existing agreement with the City (80,000 gallons per day).

SE2 further agrees that its wastewater will meet all discharge standards currently imposed on SCCLP, pursuant to the agreement between SCCLP and the City of Sumas.

2. Hydrostatic Test Water

SE2 agrees that none of the hydrostatic test water will be discharged directly into surface waters of the State and any such water discharged into a Publicly Owned Treatment Work will meet all applicable pre-treatment standards.

3. Stormwater Pollution Prevention Plans

SE2 agrees that any Stormwater Pollution Prevention Plan required by any NPDES permit required for construction and operation of the Project will be submitted to EFSEC for approval and, at the same time, will be submitted to Ecology for review and comment. Source control Best Management Practices will be selected and identified during a detailed design of the plant site, and will be included in the required Stormwater Pollution Prevention Plans.

4. Stormwater Drainage Design

SE2 agrees to prepare a stormwater drainage design plan to be submitted to EFSEC for approval and, at the same time, will be submitted to Ecology for review and comment. The stormwater drainage design will include the design of an orifice intended to permit an adequate flow of water into the created and enhanced wetland area located on the southwest portion of the site and shall include a means of directing increased stormwater flows into the proposed drainage along the north and east property lines. The design shall also include an orifice intended to permit an adequate flow of water into the created and enhanced wetland area located to the east of the site and shall include a means of directing increased stormwater flows directly into the existing 42-inch stormwater drainpipe when such increased flow would potentially create scour or erosion within the new wetland areas.

SE2 agrees to limit the peak rate of discharge from the site such that:

- (a) The peak rate of stormwater discharge from the developed site will be limited to match the peak rate of discharge prior to development for the 10-year 24-hour storm and

for the 100-year 24-hour storm in the absence of flood waters that would inundate the storm water detention pond.

(b) The rate of discharge from the 2-year 24 hour storm from the developed site will be limited to one half (1/2) of the peak rate of discharge from the 2-year 24-hour storm from the site prior to development.

(c) The limits will apply to all points of discharge from the site.

B. Wetlands

1. SE2's Commitments

SE2 agrees that it shall recommend the mitigation measures identified in the following sections of this Agreement be incorporated into the SCA as binding commitments.

2. Wetland Assessment and Mitigation

This Agreement incorporates the wetland mitigation measures set forth in the Settlement Agreement Between Washington Department of Fish and Wildlife And Sumas Energy 2. In addition, SE2 agrees, in coordination with Ecology, to develop a Performance Plan ("Plan") for its wetland mitigation. The Plan will include the following: a description of monitoring that must be performed; a monitoring schedule; submittal of monitoring reports on a prescribed schedule; performance standards for each aspect of the wetland mitigation plan; and contingencies in the event that any aspect of the wetland mitigation plan fails. Performance standards will be developed using guidance in publications available on Ecology's wetlands homepage, as well as "Success Standards for Wetland Mitigation Projects – A Guideline" (Mary Ossinger, WSDOT Environmental Affairs Office, Draft August 1999).

III. Withdrawal of Objections

Based upon the above commitments made by SE2, Ecology agrees that SE2 has addressed Ecology's water quality issues and mitigated the Project's impacts to wetlands. Therefore, based on this Agreement, Ecology stipulates to the withdrawal of all of its issues from the adjudicative hearing, and to the withdrawal of the prefiled testimony of Erik Stockdale and Steve Hood.

DATED: July 27, 2000

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